



U.S. Embassy—Mexico City

Foreign Direct Investment Factsheet

Mexico ranked 18th among the largest worldwide FDI destinations.

Important Facts:

- From 2000 through 2012, U.S. foreign direct investment in Mexico totaled \$291.7 billion (51.4%), concentrated largely in the manufacturing (43%) and financial sectors (20%).
- The United States tops the list as the origin of purchases made by Mexican companies with 13 operations.
- From 2000 through 2012, the states that received the largest FDI inflows were: Mexico City, with 55% of the total, followed by Nuevo Leon (10%), Mexico State (5%), and Chihuahua (5%), two of the states with the highest violence rates are in the top four.

NAFTA, proximity to the United States, and macroeconomic stability make Mexico an attractive location for foreign direct investment (FDI). Additional reforms to improve competition, labor regulations, and education quality are needed to increase competitiveness and encourage more FDI. Mexico ranked 18th among the largest worldwide destinations and 7th among developing countries according to World Investment Report 2013 by the United Nations Conference on Trade and Development (UNCTAD), see table below.

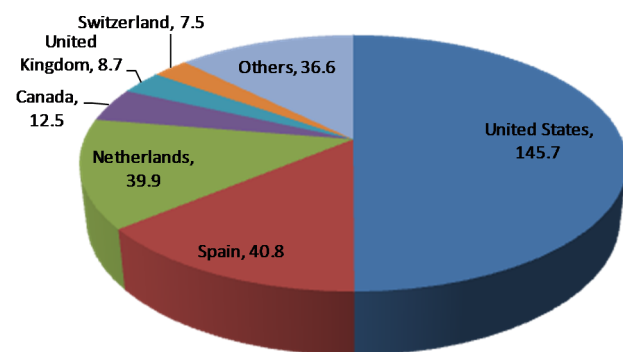
In 2012, the FDI received in Mexico totaled \$12.66 billion, 34.9% less than what was originally reported in the same period of 2011 (\$19.43 billion). Of this total, 55.7% was channeled to the manufacturing industry, 20% to retail, 12.9% to the construction sector and the rest to other sectors. The FDI came mainly from the United States (58.5%), Japan (13.1%), Canada (8.2%), Germany (5.9%), Netherlands (5.7%) and France (2.6%).

From January to December 2012, the Foreign Investment Committee (FIC) authorized 13 projects totaling \$12.6 billion. The projects will be held in the beverage and tobacco industry; construction of civil engineering works, oil and gas extraction, and professional and scientific services (See table below).

FDI Projects in Mexico per Industry, 2012

Industry	# Projects	USD Million	# Jobs
Tobacco and soft drinks	1	11,333.10	1550
Construction	4	1458.9	1953
Gas and oil extraction	1	109	581
Professional and scientific services	4	3.4	164
Educational services	1	3.0	107
Credit intermediation institutions	2	0.7	30

FDI stock by country of origin, 2000-2012 (USD Million)



	2010	2011	2012	Growth Rate
	Billion USD			2011-2012
World	1,381.0	1,604.2	1,310.7	-18.3%
United States	197.9	226.9	146.7	-35.3%
China	114.7	124.0	119.7	-3.5%
Hong Kong	82.7	96.1	72.5	-24.6%
Brazil	48.5	66.7	65.3	-2.1%
United Kingdom	50.6	51.1	62.5	22.3%
France	30.6	40.9	58.9	44.0%
Singapore	48.6	64.0	54.4	-15.0%
Australia	35.2	65.8	48.5	-26.3%
Canada	29.1	41.4	47.2	14.0%
Ireland	42.8	11.5	39.6	244.3%
India	24.2	31.6	27.3	-13.6%
Chile	15.4	17.3	26.4	52.6%
Luxembourg	27.7	14.4	22.6	56.9%
Belgium	85.7	103.3	19.3	-81.3%
Indonesia	13.8	19.2	19.2	0.0%
Saudi Arabia	29.2	16.3	18.8	15.3%
Spain	40.8	29.5	17.5	-40.7%
Mexico	21.0	20.8	17.4	-16.3%

Green Font: Developed economies; Blue font: developing economies.

Of the total FDI received in 2012, 23% were new investments, 35.5% re-investments and 41% to transactions between companies.

Mexico has a net FDI deficit

The difference between the Foreign Direct Investment (FDI) received by the country in 2012 and the amount made by Mexicans abroad was negative by \$4.73 billion, according to the Economic Commission for Latin America and the Caribbean (ECLAC). Mexico ranked, along with Venezuela, as the only two countries in the region with a deficit of FDI. Mexico was the recipient with the lowest net foreign capital flows among 30 economies of Latin America and the Caribbean.

Net Foreign Direct Investment, 2012 (USD Million)

Peru	17,874
Argentina	6,401
Panama	2,823
Trinidad and Tobago	1,688
Ecuador	578
Paraguay	239
Haiti	124
Venezuela	(759)
Mexico	(4,730)

Numbers in () indicate negative values.

Mexican Investment 2012

In 2012, Mexican companies participated in 140 transactions of mergers and acquisitions (M&A), for a total of \$41.3 billion, equivalent to 3.44% of Mexico's GDP and more than twice the expected FDI for 2012. The most important transaction was the acquisition of 50% of Grupo Modelo's stake by the Belgian group AB Inbev, which amounted to \$20.1 billion. The 140 transactions recorded in 2012 are significantly higher than the 87 transactions reported in 2011. The same applies to the dollar amount, since in 2012 the 140 transactions were valued in \$41.3 billion, while in 2011, the amount was \$19.9 billion, according to figures from TTR (Transactional Track Record), a company specializing in M&A information. The United States tops the list as the origin of purchases made by Mexican companies with 13 operations, followed by Spain, with 8. The purchase of the telephone company KPN by America Movil was the largest acquisition of Mexicans abroad.

Mexican acquisitions abroad		Acquisitions of foreign companies in Mexico	
United States	5	United States	13
Peru	3	Spain	5
Germany	2	Brazil	4
Argentina	2	Japan	3
Brazil	2	Canada	2
Colombia	2	France	2
Netherlands	2	Switzerland	2
Ecuador	1	Netherlands	2
Spain	1	Germany	1
Venezuela	1	Argentina	1
United Kingdom	1	Colombia	1
Chile	1	Singapore	1
Belgium	1	South Korea	1